



July 8, 2020

The Honorable Marvin Abney
Chair, House Committee on Finance
RI House of Representatives
State House
Providence, RI 02903

Re: Budget Article 14

Dear Chairman Abney and Members of the Committee,

I am the Executive Director of Scandinavian Communities, a non-profit nursing home in Rhode Island. I am contacting you to express our concern about the proposed cap on the nursing home inflation index of 1%. Even during regular times, this is wholly insufficient given the financial challenges we are facing. The implications of the COVID-19 pandemic are staggering and we have been on the front lines. There was a temporary 10% rate increase for nursing homes and assisted living residences that expired at the end of June, but the financial strain on us did not expire then. Our revenues are down across the board, our expenses are up, and our census is down (approximately 20%), especially Medicare rehab residents who help offset our Medicaid losses. This trifecta of challenges has us all on the financial edge. Given the ongoing uncertainty facing our industry, and our increased workforce challenges, we need adequate funding in order to ensure we can care for our residents and support our staff. As such, we urge you to maintain the 10% rate increase in the 2021 budget. We recognize that Rhode Island is in a fiscal hole, but we are receiving enhanced federal funding already, and more is expected should Congress enact another stimulus bill, so we respectfully request that this funding be used to support our nursing home, our dedicated staff, and most importantly, those for whom we care.

Sincerely,

Colette M. Silverman
Executive Director, Scandinavian Communities

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